

Message Text

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PAGE 01 HONG K 08314 150402Z

12
ACTION EA-09

INFO OCT-01 ISO-00 EUR-12 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 /064 W

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R 150249Z JUL 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 1244

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SEOUL

AMEMBASSY TIAPEI

AMEMBASSY TOKYO

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FOR EA AND EB

E.O. 11652: NA

TAGS: BEXP, XC

SUBJECT: APCAC MEETING IN JAKARTA

1. SUMMARY: THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG IS SEEKING ADVICE AND GUIDANCE FROM THE CONSULATE GENERAL IN THE PREPARATION OF POSITION PAPERS ON MAJOR FOREIGN ECONOMIC POLICY ISSUES TO BE AIRED AT THE OCTOBER MEETING OF THE AISAN PAFIFIC COUNCIL OF AMERICAN CHAMBERS (APCAC) IN JAKARTA. END SUMMARY

2. AMCHAM HONG KONG, AND ALSO APPARENTLY SOME OTHER AMCHAM'S IN EA, ARE ALREADY HARD AT WORK ON THE AGENDA FOR THE OCTOBER MEETING OF APCAC IN JAKARTA. IN A ROUGH DIVISION OF RESPONSIBILITIES IN PREPARATION OF AGENDA TOPICS, AMCHAM HONG KONG HAS TAKEN REPSOBILITY FOR THE PREPARTATION OF

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PAGE 02 HONG K 08314 150402Z

PAPERS ON SEVERAL KEY ISSUES. THE SUBJECTS ARE "TRADE

WITH VIETNAM" MULTINATIONAL CODE OF CONDUCT", "THE AMERICAN BUSINESS RELATIONSHIP WITH ASEAN", AND "EFFECT ON TAIWAN OF US RECOGNITION OF THE PRC."

3. ON "TRADE WITH VIETNAM" AMCHAM HONG KONG IS EXPECTED TO TAKE THE LEAD. MR. LOUIS SAUBOLLE, BANK OF AMERICA, WILL BE PREPARING THE POSITION PAPER. MR. SAUBOLLE, IS THE CHAIRMAN OF AMCHAM'S NEW VIETNAM COMMERCIAL RELATIONS COMMITTEE WHICH ALREADY HAS 50 BUSINESS MEMBERS DRAWN FROM VARIOUS US FIRMS IN HONG KONG. SAUBOLLE HAS NOT INDICATED WHAT POSITION THE CHAMBER WILL TAKE OTHER THAN GENERALLY PUSHING FOR ABOLITION OF US TRADE RESTRICTIONS. AMCHAM HOPES THAT THE JAKARTA MEETING, COMING AS IT DOES BEFORE THE ELECTIONS, CAN BE USED IN AN EFFORT TO PRESS THE CANDIDATES ON THIS ISSUE. SINCE THE CONGEN WILL BE CONSULTING WITH SAUBOLLE IN PREPARATION OF HIS PAPER, IT WILL BE HELPFUL IF THE DEPARTMENT WILL KEEP US FULLY INFORMED ON DEVELOPMENTS RELATIVE TO THE VIETNAM TRADE ISSUE.

4. "MULTINATIONAL CODE OF CONDUCT" IS BOUND TO BE ONE OF THE MOST EXCITING TOPICS AT THE APCAC MEETING. APCAC WILL TAKE THE VIEW THAT AMERICAN BUSINESSMEN OUT OF THE FIRING LINE ABROAD ARE IN A KEY POSITION TO MAKE RECOMMENDATIONS ON A PRACTICAL CODE OF CONDUCT. HOWEVER, IN ORDER TO MAKE APPROPRIATE SUGGESTIONS, THE BUSINESSMEN NEED TO KNOW WHAT THE USG POSITION IS. THE BUSINESSMEN HERE HAVE BEEN GETTING ONLY AN IRREGULAR FLOW OF INFORMATION FROM CORPORATE HEADQUARTERS ON THIS ISSUE, SO THE CHAMBER HAS TURNED TO THE CONGEN WITH A REQUEST THAT WE KEEP THEM INFORMED ON OFFICIAL ATTITUDES. AT THIS TIME, WE URGENTLY NEED BACKGROUND MATERIAL ON THE OECD CODE OF CONDUCT AND ANY MATERIAL WHICH CAN BE RELEASED BY THE DEPARTMENT CONCERNING ACTIVITIES AND VIEWS OF THE ADVISORY COMMITTEE ON TRANSNATIONAL ENTERPRISES. WE NEED THIS INFORMATION BOTH FOR OURSELVES AND TO PASS TO THE CHAMBER.

5. THE "AMERICAN BUSINESS RELATIONSHIP WITH ASEAN" IS SOMETHING THAT INTRIGUES THE MEMBER CHAMBERS OF APCAC BECAUSE OF THEIR INTEREST IN STAYING CLOSE TO THE RICH EMERGING MARKETS OF SEA. AMCHAM HONG KONG IS INVOLVED BECAUSE OF THE REGIONAL CHARACTER OF MANY OF ITS BUSINESS MEMBERS. THE CHAMBER RECOGNIZED LIMITED OFFICIAL USE

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PAGE 03 HONG K 08314 150402Z

NOTES THAT THE US MUST KEEP ITS DISTANCE FROM ASEAN, SO THEY ARE PROBING FOR A WAY TO ESTABLISH AN APCAC RELATIONSHIP WITH THE ASSOCIATION. THEY ARE DOING SO BECAUSE THEY BELIEVE THAT THE ASEAN GOVERNMENTS ARE INTERESTED IN PROMOTING AMERICAN INVESTMENT AND THE AMERICAN ECONOMIC PRESENCE IN THEIR COUNTRIES. AMCHAM HONG KONG IS PREPARING A PAPER ON THIS AGENDA ITEM AND WOULD APPRECIATE ANY UNCLASSIFIED OR DECLASSIFIED MATERIAL THAT THE DEPARTMENT CAN PROVIDE ON THE ECONOMIC FUTURE OF ASEAN.

6. "EFFECT ON TAIWAN OF US RECOGNITION OF THE PRC" IS A SUBJECT WHICH AMCHAM HONG KONG WANTS TO TAKE HOLD BECAUSE THEY DON'T WANT TO LEAVE THIS ISSUE STRICTLY TO WHAT THEY EXPECT WOULD BE OBSTRUCTIONIST POSITIONS OF AMCHAM TAIPEI. BASIC ISSUES WHICH AMCHAM HONG KONG SEES INVOLVED ARE SUCH THINGS AS OPIC GUARANTEES, EXIM BANK GUARANTEES, INTELSAT RELATIONSHIP, AND SHIPPING AND TRANSPORT RIGHTS. MR. WILLIAM ROSENTHAL OF BUSINESS INTERNATIONAL IS WORKING ON THIS PAPER. BASICALLY, WE BELIEVE HIS ATTITUDE WILL BE "HOW TO DO IT" RAHTER THAN " WHY IT CAN'T BE DONE". IN VIEW OF THE DELICACY OF THE WHOLE TAIWAN QUESTION, WE DID NOT RESPOND TO ROSENTHAL'S REQUEST FOR SOME SORT OF GUIDANCE ON THESE ISSUES. HOWEVER, THE DEPARTMENT SHOULD BE AWARE THAT THS REQUEST WILL ARISE AGAIN AND APCAC SEEMS BOUND TO ADDRESS THESE ISSUES WITH OR WITHOUT ADVICE FROM THE DEPARTMENT.

7. WE ARE UNABLE TO JUDGE IN ADVANCE WHETHER THE FORTHCOMING APCAC MEETING WILL HAVE ANY MORE REAL IMPORTANCE THAT PAST APCAC MEETINGS. THE FACT REMAINS THAT APCAC CAN AND PROBABLY WILL BECOME A MORE POSITIVE FORUM FOR THE AGGREGATION OF US BUSINESS INTRESTS AND THE ADVANCEMENT OF US BUSINESS PURPOSES IN THE AISA-PACIFIC AREA. FUTHERMORE, MEMBER CHAMBERS ARE LOOKING TO THE POSTS AND THE DEPARTMENT FOR SUPPORT IN THIER PREPARATION FOR THE JAKARTA MEETING. SINCE THE BUSINESSMEN ARE DETERMINED TO BECOME INVOLVED IN FOREIGN ECONOMIC POLICY, IT WOULD BE WISE TO BE AS FORTHCOMING AND HELPFUL AS POSSIBLE.
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